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Reports of UNDP, UNFPA and UNOPS Ethics Offices

Activities of the UNOPS Ethics Office in 2013

Report of the Ethics Office

Summary

The present report has been provided to the Executive Director of the United Nations Office for Project Services, pursuant to UNOPS organizational directive number 15, paragraph 43. The report is submitted to the Executive Board of UNDP, UNFPA and UNOPS, at its annual session 2014, pursuant to Executive Board decision 2010/17.

The report has been reviewed by the Ethics Panel of the United Nations, in accordance with section 5.4 of the document entitled "United Nations system-wide application of ethics: separately administered organs and programmes" (ST/SGB/2007/11, as amended).

The report covers the period from 1 January to 31 December 2013.

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I. Introduction

1. The present report, the fifth since the establishment of the Ethics Office as a separate entity in UNOPS at the end of January 2009, is submitted annually to the Executive Director of UNOPS, the Chair of the Ethics Panel of the United Nations, and the Executive Board of UNDP, UNFPA and UNOPS.

2. In accordance with the Ethics Office mandate to promote the highest standards of integrity and to foster a culture of ethics, transparency and accountability within UNOPS, the present report provides an overview and assessment of the work of the Ethics Office in relation to its areas of responsibility over the reporting period. The report also addresses the longer-term strategic focus of the office in respect to current activities and ethics policy implementation.

II. Background and general information

3. The Ethics Office was established as an independent office within the United Nations Office for Project Services pursuant to General Assembly resolution 60/1 and to the Secretary-General's bulletin (ST/SGB/2007/11, as amended).

4. The main responsibilities of the Ethics Office include the following:

(a) Administering the UNOPS financial disclosure programme;

(b) Undertaking the responsibilities assigned to it under the UNOPS policy for the protection of staff against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations;

(c) Developing standards, training and education on ethics issues, in coordination with the human resources practice group, and other entities as appropriate, and conducting ethics outreach;

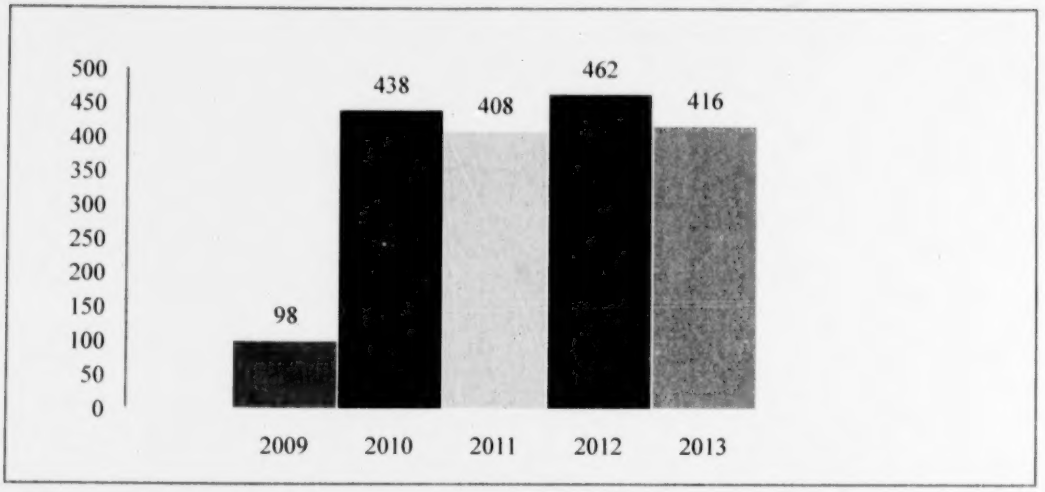
(d) Providing confidential advice and guidance to staff on ethical issues (such as conflicts of interest), including administering an ethics helpline; and

(e) Supporting ethics standard-setting and policy coherence within the United Nations system.

5. In accordance with its core mandates, the Ethics Office assists the Executive Director in ensuring that all staff conduct themselves with integrity and professionalism and uphold the Charter of the United Nations. The office seeks to nurture and sustain an organizational culture committed to ethics and accountability, with the aim of enhancing both the credibility and the effectiveness of the United Nations.

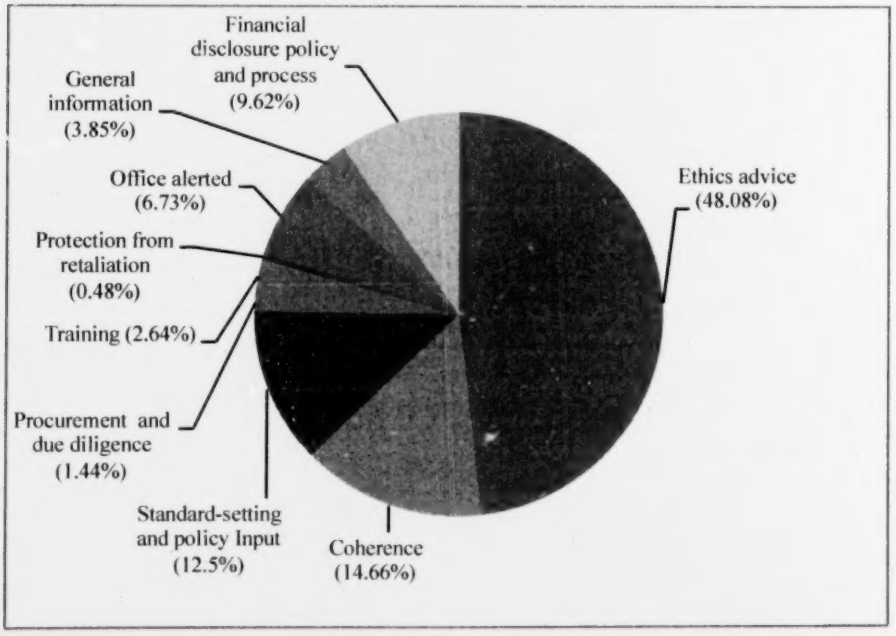
6. Reflecting its role as a consultative, impartial and service-oriented resource within UNOPS, the Ethics Office received a total of 416 referrals from 1 January 2013 to 31 December 2013. This represented a 10 per cent decrease in the number of requests for services received by the office as compared with the preceding reporting period. Figure 1 depicts the comparison of the respective figures for the period 2009-2013. The low figure for 2009 may be explained by the fact that the office was new as an independent entity, and that administration of the financial disclosure programme had not yet been included in the terms of reference of the Ethics Office.

Figure 1. Comparison of requests for services by reporting cycle, 2009-2013



7. In line with the objective of the Ethics Office to provide comprehensive ethics coverage, requests for services received during 2013 covered a broad range of ethics issues, including the permissibility of outside activities; acceptance of gifts; policy advice; standard-setting support; and protection against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations. Figure 2, below provides a breakdown of requests by category.

Figure 2. Volume of requests for services by category, 2013



III. Activities of the Ethics Office

8. The areas of responsibility of the Ethics Office collectively support its strategic objective of promoting an ethical organizational culture that enhances organizational integrity, accountability, efficiency and productivity.

A. Financial disclosure programme

9. The Ethics Office is mandated to administer the UNOPS financial disclosure programme as a means of identifying, managing and mitigating personal conflict of interest risks. The overall goal of this programme is to strengthen public trust in the integrity of the organization. Pursuant to the Secretary-General's bulletin (ST/SGB/2007/11, as amended), UNOPS organizational directive number 23 and advice from the Ethics Officer, personnel identified as falling within the categories listed in organizational directive number 23 were required to file annual disclosure statements.

10. Of the 709 active personnel required to file a financial disclosure statement, all did so. This represents 100 per cent compliance. After all the information had been received, no actual conflict of interest was found in 708 financial disclosure statements; there was one case where an actual conflict was found. There were 68 situations where the disclosed information required further scrutiny. The numbers of those cases are listed below showing the various categories of enquiry. When further information became available, no actual conflict of interest was found.

Financial disclosure programme: disclosures requiring further scrutiny	Total	Per cent
Personnel		
Owns stock of a company that is a vendor	2	2.94%
Has account in vendor/bank	1	1.47%
Has tenant that works for a partner	1	1.47%
Has tenant that is a government agency	2	2.94%
Has leadership role in non-United Nations entity	3	4.41%
Has previous employer that worked with the organization	2	2.94%
Was selected for verification but did not provide documents	1	1.47%
There was inconsistent data on the financial disclosure policy	4	5.88%
Personnel subtotal	**16**	**23.53%**
Spouse/Domestic partner		
Spouse works in same organization	4	5.88%
Spouse works for a partner	6	8.82%
Spouse works for a government	10	14.71%
Spouse works for vendor	5	7.35%
Spouse works in the United Nations system	16	23.53%
Spouse/Domestic partner subtotal	**41**	**60.29%**
Relative		
Relative works in the United Nations system	10	14.71%
Other	1	1.47%
Total	**68**	**100.00%**

11. The Ethics Office found an actual conflict of interest that showed one employee as having a management interest in a company that is a potential vendor of UNOPS. It was agreed that the staff member concerned would recuse herself completely from any matter that would involve this company if it arose, and further take no part in the management of the company whilst in service with UNOPS.

12. The process of reviewing financial disclosure statements includes a verification procedure. The procedure requires that selected participants provide third-party documentation to prove the completeness and accuracy of the information disclosed in their statements. Forty personnel were required to provide third-party documentation, and all did so. No discrepancies were found.

B. Protection of staff against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations

13. Pursuant to the Secretary-General's bulletin (ST/SGB/2007/11, as amended), the Ethics Office is mandated to implement the United Nations policy on protection against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations. In accordance with UNOPS organizational directive number 35, the Ethics Office receives complaints of retaliation and conducts preliminary reviews to determine whether a complainant engaged in a protected activity and, if so, whether the protected activity was a factor contributing to the alleged retaliation. On the basis of its preliminary review, should the office determine that there is a prima facie case of retaliation, the matter is referred to the Internal Audit and Investigations Group, or to an alternative investigating mechanism, if required, for formal investigation.

14. Pending the completion of a referred investigation, the Ethics Office may recommend to the Executive Director that interim protection measures be implemented to safeguard the interests of the complainant. The office will make a final recommendation to the Executive Director for his determination subsequent to receipt and assessment of the completed investigation report and evidentiary materials.

15. The Ethics Office gave advice on two occasions in relation to protection from retaliation. One formal application was filed in 2012. The Ethics Officer found a prima facie case of retaliation in that case, which was therefore referred to the Internal Audit and Investigations Group for investigation in accordance with organizational directive number 35. After reviewing the investigator's report and the Ethics Officer's recommendation in 2013, the Executive Director concluded that the organization had proved, by clear and convincing evidence, that there was in fact no retaliation following a protected activity. The request for protection was therefore refused. No formal applications for protection were filed in 2013.

16. Effective implementation of the protection against retaliation policy remains an essential means of promoting an organizational culture that encourages staff to speak out against behaviour that places the reputation and standing of UNOPS at risk. In addition to the thorough and timely review of received retaliation complaint cases, the Ethics Office will continue to articulate the purpose, scope and availability of the protection-against retaliation policy to staff. The Ethics Office considers raising awareness of the policy as one means of preventing retaliation.

C. Outreach, training and education

17. Online ethics training was provided via the online learning programme Integrity Awareness Initiative, which is directed at personnel at all levels and focuses on core values and the standards of integrity to be observed in the workplace.

18. The audit, tax and advisory services firm, KPMG, was commissioned to prepare an interactive ethics course. A pilot session was presented in New York in June 2013, and a group of UNOPS legal, audit, investigations and ethics personnel provided comments and input. This new course was delivered in its final version in Copenhagen in November 2013. The course is aimed at raising the basic principles of ethical behaviour through training; at the end of 2013, it was awaiting roll-out by UNOPS Human Resource Practice Group's training section.

19. The Ethics Officer receives the agendas of senior management meetings, namely, those of the corporate operations group and the management practice group, and decides whether to attend as an observer and commentator. In 2013, he attended most meetings. He also attended the annual Global Management Meeting at headquarters. The Ethics Officer continues to support the Internal Audit and Investigations Group and the Sustainable Procurement Practice Group initiatives in anti-corruption and identification of risk in procurement. Of particular note was a survey on integrity, ethics and anti-fraud, which was discussed in the Strategy and Audit Advisory Committee and the Audit Advisory Subcommittee. It was concluded that there was a need for more awareness raising and training on ethics, integrity and fraud.

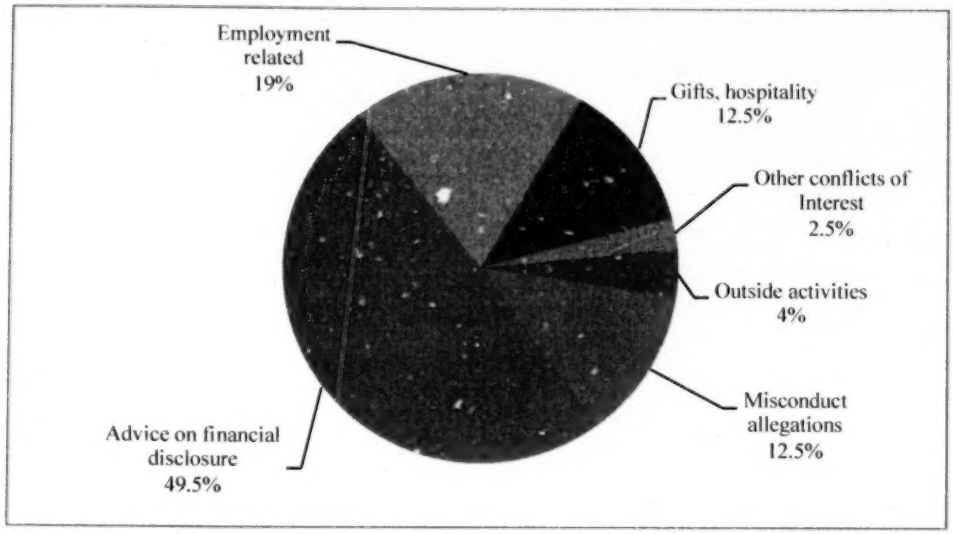
D. Advice and guidance

20. The ethics advisory function is a key element in United Nations efforts to protect and bolster its reputation for integrity. Pursuant to its advisory mandate, the Ethics Office provides confidential ethics advice and guidance to staff, management, departments and offices in order to ensure that decision-making is consistent with the values, principles and rules of the United Nations. This function serves to prevent, mitigate and resolve actual or perceived conflicts of interest, and in so doing enhances the integrity of UNOPS and its personnel.

21. Demonstrating the significance of the advisory function of the Ethics Office, 48.1 per cent of all requests for services during the reporting period pertained to ethics advice (see figure 2). During the period under review, the office received 416 requests for services on a wide range of ethics-related concerns. Figure 3, below, shows the categories into which requests for advice are classified: outside activities (9 per cent); allegations of misconduct (12.5 per cent); other conflicts of interest (2.5 per cent); financial disclosure (49.5 per cent); employment-related concerns (19 per cent); and gifts and hospitality (12.5 per cent).

22. The advice and guidance provided by the Ethics Office during the reporting period included clarification or interpretation of UNOPS regulations, rules and standards concerning prohibited or restricted activities, and, of course, ethical dilemmas. Through inter-organizational consultation and coordination with, inter alia, General Counsel and the members of the Human Resources Practice Group, the Procurement and Supply Chain Practice Group and the Internal Audit and Investigations Group, the Ethics Office sought to ensure consistent approaches to the interpretation and implementation of organizational standards.

Figure 3. Requests for ethics advice, 2013



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IV. The Ethics Panel of the United Nations and the Ethics Network

24. The United Nations Ethics Committee, later renamed the Ethics Panel of the United Nations, was established by Secretary-General's bulletin (ST/SGB/2007/11, as amended), which entered into force on 1 December 2007. The panel is mandated to establish a unified set of ethical standards and policies for the United Nations secretariat and for the separately administered organs and programmes, and to consult on certain important and particularly complex cases and issues having United Nations system-wide implications. In 2013 the UNOPS Ethics Officer participated in all nine of the panel's meetings.

25. In accordance with the Secretary-General's ongoing promotion of system-wide collaboration on ethics-related issues, including with United Nations funds, programmes and specialized agencies, and other interested entities, the United Nations Ethics Network was established on 21 June 2010. The Ethics Network was founded within the framework of the Chief Executives Board for Coordination in order to promote system-wide collaboration and coherence in the area of ethics and integrity, with the participation of ethics officers and related professionals from the United Nations secretariat, United Nations funds, programmes and specialized agencies, and selected international financial institutions. The Ethics Network, subsequently renamed the Ethics Network of Multilateral Organizations, held its fourth meeting in Paris in July 2013. The UNOPS Ethics Officer participated in the meeting, where he was elected vice-chair for 2013-2014.

26. Full information on the work of the Ethics Panel of the United Nations and the Ethics Network is provided in the report of the Secretary-General on the Activities of the Ethics Office (A/68/348).